H.R.3220

To amend title XVIII of the Social Security Act to reform Medicare coverage and reimbursement for home oxygen therapy services.

IN THE HOUSE OF REPRESENTATIVES

July 15, 2009

Mr. Ross (for himself and Mr. Meek of Florida) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to reform Medicare coverage and reimbursement for home oxygen therapy services.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Medicare Home Oxy-
- 5 gen Therapy Act of 2009".

1	SEC. 2. TREATMENT OF HOME OXYGEN THERAPY SEPA-
2	RATE FROM DURABLE MEDICAL EQUIPMENT.
3	(a) Elimination From Definition of Durable
4	MEDICAL EQUIPMENT.—Section 1861(n) of the Social Se-
5	curity Act (42 U.S.C. 1395x(n)) is amended—
6	(1) by striking "oxygen tents,"; and
7	(2) by adding at the end the following new sen-
8	tence: "Such term does not include oxygen and home
9	oxygen therapy services.".
10	(b) Conforming Amendments.—
11	(1) Section 1834(a) of the Social Security Act
12	(42 U.S.C. 1395m(a)) is amended—
13	(A) by striking paragraphs (5) and (9);
14	(B) in paragraph (6), by striking "(4), or
15	(5)" and inserting "or (4)"; and
16	(C) in paragraph (21)(B), by striking "ox-
17	ygen and oxygen equipment,".
18	(2) Section 1847(a) of such Act (42 U.S.C.
19	1395w-3(a)) is amended—
20	(A) in paragraph (1)(D)(i)—
21	(i) in subclause (II), by striking "and
22	(IV)" and inserting ", (IV), and (V)";
23	(ii) by striking "and" at the end of
24	subclause (III):

1	(iii) by striking the period at the end
2	of subclause (IV) and inserting "; and;
3	and
4	(iv) by adding at the end the following
5	new subclause:
6	"(V) the Secretary shall exclude
7	oxygen and oxygen equipment.";
8	(B) in paragraph (2), by inserting "(and
9	do not include oxygen and oxygen equipment)"
10	after "are the following"; and
11	(C) in paragraph (4)—
12	(i) by striking "AND OXYGEN" in the
13	heading;
14	(ii) by striking "and in the case of
15	payment for oxygen under section
16	1834(a)(5)"; and
17	(iii) by striking "and supply arrange-
18	ments with oxygen suppliers".
19	SEC. 3. COVERAGE OF HOME OXYGEN THERAPY SERVICES.
20	(a) Definitions.—Section 1861 of the Social Secu-
21	rity Act is amended by adding at the end the following
22	new subsection:
23	"Home Oxygen Therapy Services
24	" $(hhh)(1)$ In General.—The term home oxygen
25	therapy services' means services and supplies furnished by

- 1 a qualified home oxygen therapy provider and includes,
- 2 with respect to an individual, the following furnished by
- 3 home oxygen therapy provider (as defined in paragraph
- 4 (2)).
- 5 "(A) Conducting an initial evaluation of the in-
- 6 dividual using a uniform Oxygen Patient Evaluation
- 7 Form developed, in consultation with the Home Oxy-
- 8 gen Therapy Advisory Committee, by the Secretary.
- 9 "(B) Providing written and verbal individual
- and caregiver education about home oxygen therapy,
- stationary and portable oxygen therapy options, and
- oxygen safety (such as evaluating the home environ-
- ment for safety risks or hazards, including home fire
- and fall prevention).
- 15 "(C) Providing appropriate delivery, set-up, and
- 16 coordination of oxygen (such as delivery of oxygen
- technology to hospital prior to discharge, delivery
- and set-up of equipment in the home), as needed, in
- a timely manner as agreed upon by the individual or
- caregiver (or both), the home oxygen therapy pro-
- vider, and the physician.
- 22 "(D) Evaluating the individual's ability to oper-
- ate the oxygen equipment safely and effectively.

- 1 "(E) Educating and, when necessary, providing 2 assistance with infection control, focusing on keeping 3 oxygen equipment from leading to infection.
 - "(F) Providing equipment-related services consistent with the manufacturer specifications and in accordance with all Federal, State, and local laws and regulations, which may include checking oxygen system purity levels and flow rates, changing and cleaning filters, and assuring the integrity of alarms and back-up systems.
 - "(G) Monitoring visits by appropriately trained personnel to evaluate all aspects of the services being provided to the individual by the home oxygen therapy provider, including ensuring that individual is following the prescribed plan of care.
 - "(H) Documenting exception reporting by the home oxygen therapy provider when changes occur in the individual's compliance with the plan of care to the prescribing physician.
 - "(I) Providing, as needed, continued education regarding appropriate home oxygen equipment maintenance practices and performance by the individual and caregivers.

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1 "(J) Implementing all home oxygen therapy 2 services that are prescribed by the physician's plan 3 of care. "(K) Providing, as needed, appropriate home 4 5 oxygen equipment, supplies, including supplemental 6 supplies and emergency oxygen back-ups as appro-7 priate. 8 "(L) Providing 24-hour on-call coverage to re-9 spond to individual's needs with home oxygen ther-10 apy. 11 "(M) Assisting the individual with the coordina-12 tion of oxygen equipment, services, and providers if 13 the individual travels outside of the provider's serv-14 ice area. If an individual relocates permanently, the new home oxy-16 gen therapy provider for the individual shall assume re-17 sponsibility for billing the Medicare program directly. The Secretary is directed to determine which of these covered 18 19 services must be performed in person. "(2) QUALIFIED HOME OXYGEN THERAPY PRO-20 21 VIDER.— "(A) The term 'qualified home oxygen therapy 22 23 provider' means an entity that provides home oxygen

therapy services and home oxygen equipment—

1	"(i) furnishes home oxygen therapy serv-
2	ices in compliance with applicable laws, rules,
3	and regulations to individuals in their homes,
4	pursuant to a physician's order;
5	"(ii) is accredited by an accreditation orga-
6	nization (including organizations deemed as of
7	November 2006 by the Secretary to accredit
8	durable medical equipment suppliers) that of-
9	fers home medical equipment or respiratory
10	service accreditation services;
11	"(iii) complies with the Durable Medical
12	Equipment, Prosthetics, Orthotics and Supplies
13	Quality Standards adopted by the Secretary in
14	October 2008; and
15	"(iv) complies with the Durable Medical
16	Equipment, Prosthetics, Orthotics and Supplies
17	Supplier Standards as set forth at section
18	424.57(c) of title 42, Code of Federal Regula-
19	tions).
20	"(B) A qualified home oxygen therapy provider
21	may determine which oxygen delivery system meets
22	the requirements of the prescribing physician's order
23	and is appropriate for an individual based upon the
24	physician's classification of the individual in a pa-

tient category.

1	"(C) Nothing in this subsection shall be con-
2	strued to establish a Federal requirement that a
3	qualified home oxygen therapy provider employ or
4	otherwise retain a licensed respiratory therapist to
5	furnish services for which State law does not require
6	them to be furnished by such a licensed respiratory
7	therapist.
8	"(D) Nothing in this title shall be construed as
9	authorizing the Secretary to require an entity that
10	is a qualified home oxygen therapy provider—
11	"(i) to obtain more than one National Pro-
12	vider Identifier for each location in which the
13	provider operates, notwithstanding that the pro-
14	vider also furnishes durable medical equipment
15	under this title;
16	"(ii) to obtain a surety bond if the entity
17	has already posted a surety bond for purposes
18	of meeting such a bond requirement as a sup-
19	plier of durable medical equipment or other
20	lines of business; or
21	"(iii) to accept assignment on claims for
22	home oxygen therapy services or to be a partici-
23	pating supplier with respect to such services.
24	"(3) Retesting Process.—

"(A) IN GENERAL.—The Secretary shall estab-1 2 lish a re-testing process that requires qualified home 3 oxygen therapy providers to facilitate re-testing, in 4 accordance with current standards of practice and 5 regulations of the Secretary, of individuals furnished 6 home oxygen therapy services between 60 and 120 7 days of the date on which the services were initiated 8 in the case of individuals who had a diagnosis for 9 whom home oxygen therapy was prescribed for the 10 first time.

- "(B) EXEMPTION.—Such re-testing process shall not apply to individuals whose diagnosis was for chronic respiratory disease, including for chronic conditions that typically require oxygen therapy for an extended period of time, such as chronic obstructive pulmonary disease, emphysema, obstructive chronic bronchitis, bronchiectasis, congestive heart failure, pulmonary fibrosis, obstructive sleep apnea, and Alpha-1 Antitrypsin Deficiency (A1AD).".
- 20 (b) Payment.—Section 1834 of such Act (42 U.S.C.
- 21 1395m) is amended by adding at the end the following
- 22 new subsection:
- 23 "(n) Payment for Home Oxygen Therapy Serv-
- 24 ICES.—

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1	"(1) Establishment of single bundled
2	PAYMENT SYSTEM.—Payment for home oxygen ther-
3	apy services under this part shall be based on a sin-
4	gle bundled payment rate for home oxygen therapy
5	services (including equipment and supplies) deter-
6	mined under this subsection. Such a rate shall—
7	"(A) be applied separately for each patient
8	category established under paragraph (2);
9	"(B) be paid on a per-patient-per-month
10	basis;
11	"(C) be initially computed under para-
12	graph (3) in a budget neutral manner based on
13	allowed payments for providing such services
14	(including equipment and supplies);
15	"(D) be annually updated in accordance
16	with paragraph (4); and
17	"(E) be adjusted for its patient services
18	component for geographic factors under para-
19	graph (5).
20	"(2) Patient categories.—
21	"(A) In general.—Under the single bun-
22	dled payment system, individuals receiving
23	home oxygen therapy services shall be classified
24	into one of three patient categories, as follows:

1	"(i) Category 1.—A first category of
2	individuals (in this subsection referred to
3	as 'category 1') who lack mobility or are
4	prescribed oxygen for nocturnal use only.
5	"(ii) Category 2.—A second category
6	of individuals (in this subsection referred
7	to as 'category 2') who have standard port-
8	ability needs for oxygen therapy.
9	"(iii) Category 3.—A third category
10	of individuals (in this subsection referred
11	to as 'category 3') who have high port-
12	ability needs for oxygen therapy.
13	"(B) Definitions.—In this paragraph:
14	"(i) The term 'standard portability'
15	means the use of portable oxygen is esti-
16	mated at less than or equal to 40 liter
17	hours per week.
18	"(ii) The term 'high portability'
19	means the use of portable oxygen is esti-
20	mated at more than 40 liter hours per
21	week.
22	"(iii) The term 'liter hours per week'
23	means the total liters of oxygen used dur-
24	ing a month divided by 4.3 (weeks per

1	month) divided by liters per minute pre-
2	scribed divided by 60 minutes.
3	"(C) Requirement for assessment.—
4	"(i) In general.—Subject to clause
5	(ii), on and after January 1, 2010, an indi-
6	vidual may not be furnished home oxygen
7	therapy services under this part unless a
8	physician has assigned an individual into a
9	patient category and indicated such assign-
10	ment on a certificate of medical need that
11	is given to the home oxygen therapy pro-
12	vider.
13	"(ii) Grandfather.—In the case of
14	an individual who is receiving home oxygen
15	therapy as of January 1, 2010, for which
16	payment is being made under this title
17	clause (i) shall not apply until January 1
18	2011, and until the date a physician as-
19	signs the individual into a patient category
20	Before such date, the individual shall be
21	classified based on the individual's pre-
22	scription as in effect on December 31
23	2009.
24	"(3) Initial payment rate.—
25	"(A) In General.—

1	"(i) The single bundled payment rate
2	for 2010, 2011, and 2012 shall be com-
3	puted annually by the Secretary in a budg-
4	et neutral manner consistent with subpara-
5	graph (D) using the distributions for each
6	category in clause (ii). The Secretary shall
7	not make any prospective adjustments to
8	the payment rates under this reimburse-
9	ment methodology for such years. The base
10	year shall be the latest available calendar
11	year adjusted data.
12	"(ii) For 2010, 2011, and 2012, the
13	Secretary shall establish the single bundled
14	payment rate by assuming the following
15	distribution of individuals among the cat-
16	egories:
17	"(I) In category 1, 30 percent.
18	"(II) In category 2, 50 percent.
19	"(III) In category 3, 20 percent.
20	The Secretary shall base the allowed pay-
21	ments for categories 1 and 3 upon a per-
22	centage relationship to the allowed pay-
23	ment for category 2. Category 3 allowed
24	payment rate should be greater than cat-
25	egory 2 allowed payment rate and category

2 allowed payment rate should be greater than category 1.

"(B) Payments for years 2013 and 2014.—The single bundled payment rates for 2013 and 2014 shall be computed by the Secretary in a budget neutral manner consistent with subparagraph (D) using data obtained through the cost reports required under this section.

"(C) Payments for years 2015 and Be-YOND.—The single bundled payment rates for 2015 and subsequent years shall be computed by the Secretary using data obtained through the cost reports required under this section.

"(D) BUDGET NEUTRALITY.—The Secretary shall calculate the single bundled payment rates established under this section for 2010, 2011, 2012, 2013, and 2014 such that the total spending for each year is equivalent in the aggregate to the spending that would have been made for home oxygen therapy during such year if the amendments made by the Medicare Home Oxygen Therapy Services Act of 2009 had not been enacted.

- 1 "(4) Annual update by cpi-u.—The pay-2 ment rates established under this subsection shall be 3 adjusted for each year (beginning with 2011) in a 4 prospective manner by the Secretary and be pub-5 lished by October 1 of the previous year based on 6 the percentage increase in the consumer price index 7 for all urban consumers (all items; U.S. city aver-8 age) applicable to the year involved.
 - "(5) APPLICATION OF GEOGRAPHIC ADJUST-MENT.—The payment rates established under this subsection shall be adjusted, in a budget neutral manner, to take into account differences among areas in labor and transportation costs.
 - "(6) Including patient category and re-Lated information on certificate of medical need used under this part for home oxygen therapy services so that an individual's physician would indicate on the form the appropriate patient category for the individual. Any change in an individual's category would be made by the physician submitting an updated certificate of medical need form indicating the change in the individual's category.

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1	"(7) Responsibilities of qualified home
2	OXYGEN THERAPY PROVIDERS AND PHYSICIANS.—
3	"(A) Providers.—A qualified home oxy-
4	gen therapy provider is responsible for moni-
5	toring and periodically re-evaluating, using the
6	Oxygen Patient Evaluation Form, each indi-
7	vidual to whom the provider is furnishing home
8	oxygen therapy services under this part and no-
9	tifying the prescribing physician when the re-
10	sults of such an re-evaluation indicate that a re-
11	assignment in a category under this subsection
12	may be warranted due to a change in the indi-
13	vidual's clinical condition or ambulatory status.
14	"(B) Physicians.—Such an individual's
15	physician is responsible for making any change
16	in such an individual's category placement and
17	for documenting such change in the individual's
18	medical record and providing an updated cer-
19	tificate of medical need to the home oxygen
20	therapy provider.
21	"(8) Cost reports.—
22	"(A) IN GENERAL.—The Secretary in con-
23	sultation with the Home Oxygen Therapy Advi-
24	sory Committee established under paragraph
25	(9) shall develop an annual cost report for

qualified home oxygen therapy providers with respect to the costs incurred for equipment, supplies, and services furnished to individuals. Qualified home oxygen therapy providers shall submit such report annually to the Secretary and the Secretary shall not require the submission of more than one such cost report for such a provider for each year.

- "(B) STREAMLINED REPORT FOR SMALL SUPPLIERS.—Qualified home oxygen therapy providers with not more than \$1,000,000 in revenue from the provision of home oxygen therapy services under this part shall be permitted to submit a shorter or streamlined report under this paragraph.
- "(C) IMPLEMENTATION.—The Secretary shall not require the submission of a cost report under this paragraph earlier than January 1, 2012.
- "(9) Home oxygen therapy advisory committee.—
 - "(A) IN GENERAL.—The Secretary shall establish and convene an independent, multi-disciplinary, nonpartisan Home Oxygen Therapy Advisory Committee (in this paragraph re-

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ferred to as the 'Advisory Committee') (pursuant to section 222 of the Public Health Service Act (42 U.S.C. 217a)) not later than 6 months after the date of the enactment of this subsection.

"(B) Composition.—The Advisory Committee shall consist of such members as the Secretary may appoint and who shall serve for such term as the Secretary may specify. In appointing members, the Secretary shall consult with the home oxygen therapy community. The Advisory Committee shall be comprised of members of the home oxygen therapy community, including patients, nurses, respiratory therapists, physicians, qualified home oxygen therapy providers representing urban and rural markets and the diverse provider community, public health organizations, patient advocates, and manufacturers. In this subparagraph, the term 'public health organization' means a private entity and does not include a public health agency.

"(C) Functions.—The Committee shall provide a forum for expert discussion and deliberation and the formulation of advice and rec-

1	ommendations to the Secretary regarding cov-
2	erage and payment for home oxygen therapy
3	services under this part, including—
4	"(i) selecting, modifying, and updat-
5	ing quality measures;
6	"(ii) developing the objective, evi-
7	dence-based clinical criteria used to define
8	each of the patient categories;
9	"(iii) designing a consensus-based ox-
10	ygen patient evaluation form;
11	"(iv) refining the services included in
12	home oxygen therapy services;
13	"(v) establishing a quality improve-
14	ment program;
15	"(vi) evaluating a comparative effec-
16	tiveness program that also would also in-
17	clude chronic care management; and
18	"(vii) strengthening anti-fraud, abuse,
19	and waste provisions by—
20	"(I) mandating site inspections
21	for all new home oxygen therapy pro-
22	viders;
23	"(II) requiring site inspections
24	for all home oxygen therapy provider
25	renewals;

1	"(III) improving validation of
2	new home oxygen therapy providers
3	by improving the application process
4	for obtaining a National Provider
5	Identifier;
6	"(IV) requiring two additional
7	random, unannounced site visits for
8	all new home oxygen therapy pro-
9	viders during the first year of oper-
10	ation;
11	"(V) requiring a 6-month trial
12	period for new home oxygen therapy
13	providers during which time the pro-
14	vider would receive a preliminary Na-
15	tional Provider Identifier;
16	"(VI) establishing an anti-fraud
17	office within the Centers for Medicare
18	& Medicaid Services to coordinate de-
19	tection and deterrence of fraud and
20	improper payments across the Medi-
21	care and Medicaid programs by ac-
22	cepting and responding to reports of
23	alleged fraud and abuse from physi-
24	cians and providers;

1	"(VII) considering the proper
2	Federal funding levels needed for im-
3	proving fraud prevention;
4	"(VIII) requiring post-payment
5	audit reviews for all new home oxygen
6	therapy providers relying upon 6
7	months' worth of claims submissions;
8	"(IX) requiring the Centers for
9	Medicare & Medicaid Services to con-
10	duct real-time claims analysis ana-
11	lyzing home oxygen therapy provider
12	claims to identify aberrant billing pat-
13	terns more quickly;
14	"(X) ensuring that all providers
15	are qualified to offer the services for
16	which they submit claims by man-
17	dating cross-checking Medicare and
18	other relevant databases to ensure
19	that home oxygen therapy providers
20	are qualified and accredited for pro-
21	viding home oxygen therapy services;
22	"(XI) establishing written due
23	process procedures for home oxygen
24	therapy providers applying for a Na-
25	tional Provider Identifier, including

1	establishing an administrative appeals
2	process and clear timelines;
3	"(XII) increasing penalties and
4	fines and fraud for activities such as
5	buying or stealing beneficiaries' Medi-
6	care numbers or physician's provider
7	numbers; and
8	"(XIII) establishing more rig-
9	orous quality standards.
10	"(D) Report.—The Committee shall pro-
11	vide the Secretary with periodic reports that
12	summarize the Committee's activities and its
13	recommendations for such legislation and ad-
14	ministrative action as it considers appropriate.
15	"(E) Authorization of Appropria-
16	TIONS.—There are authorized to be appro-
17	priated such sums as may be necessary to carry
18	out the purposes of this paragraph.
19	"(10) CLAIMS PROCESSING.—The Secretary
20	shall provide for processing of claims for home oxy-
21	gen therapy services from home oxygen therapy pro-
22	viders to be conducted through the administrative
23	contractors under this title for durable medical
24	equipment.

1	"(11) Beneficiary rights.—The Secretary
2	shall establish through regulation the following pro-
3	tections for individuals receiving home oxygen ther-
4	apy services under this part:
5	"(A) To choose the individual's local pro-
6	vider of such services from among qualified
7	home oxygen therapy service providers and to
8	change such provider.
9	"(B) To receive communications from the
10	home oxygen therapy provider in a clear and
11	understandable manner.
12	"(C) To privacy and confidentiality in all
13	aspects of treatment and their personal health
14	information consistent with Federal and State
15	laws.
16	"(D) To be informed by the home oxygen
17	therapy provider about and participate, if de-
18	sired, in all aspects of the oxygen therapy serv-
19	ices being furnished to the individual by the
20	provider, and be informed by such provider of
21	the right to refuse treatment, to discontinue
22	treatment, and to refuse to participate in exper-
23	imental research.
24	"(E) To be informed by the home oxygen
25	therapy provider of policies and expectations of

1	the provider regarding patient conduct and re-
2	sponsibilities.
3	"(F) To be informed by the home oxygen
4	therapy provider about the individual's right to
5	execute advance directives.
6	"(G) To be informed by the home oxygen
7	therapy provider about treatment modalities
8	and categories of equipment relating to home
9	oxygen therapy services for use by the indi-
10	vidual and offered by the provider.
11	"(H) To be informed of the home oxygen
12	therapy provider's policies regarding 24-hour
13	on-call coverage.
14	"(I) To be informed by the home oxygen
15	therapy provider of the individual's financial re-
16	sponsibilities with regard to such services.
17	"(J) To be provided with the clinically ap-
18	propriate oxygen equipment and services as
19	agreed upon by the individual (or the individ-
20	ual's representative), the provider, and the pre-
21	scribing physician.
22	"(K) To be informed by the home oxygen
23	therapy provider of any potential changes to the
24	individual's equipment or services regarding
25	home oxygen therapy services and the right to

consult with individual's physician regarding such changes to ensure they are appropriate and necessary and the exceptions as specified by the Secretary when a home oxygen therapy provider may change an individual's oxygen equipment.

"(L) To be informed by the home oxygen therapy provider of the provider's internal and external grievance processes (as well as how to contact Medicare through the hotline or Beneficiary Ombudsman), including the individual's right to file internal or external grievances or both without retaliation or denial of services and the right to file them personally or through a representative of the individual's choosing.

"(M) To receive from the home oxygen therapy provider written notice 30 days in advance of an involuntary termination, after the home oxygen therapy provider follows established involuntary discharge procedures; however, in the case of immediate threats to the health and safety of others, the Secretary may permit the home oxygen therapy provider to use an abbreviated termination procedure.

1	"(N) To be assisted by the home oxygen
2	therapy provider in obtaining the equipment
3	and supplies for home oxygen therapy services
4	prescribed by individual's treating physician
5	when the individual is traveling.
6	"(O) To receive from the home oxygen
7	therapy provider oxygen supplies, refills, and
8	emergency back-up equipment and refills as ap-
9	propriate.".

10 SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to 12 services and supplies furnished on or after January 1, 13 2010.

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